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Industrial Development Board

Twenty-second session

SUMMARY RECORD OF THE 1st MEETING

Held at the Vienna International Centre, Vienna,
on Tuesday, 30 May 2000, at 10 a.m.

Temporary President: Mr. REGUIEG (Algeria)

President: Mr. ORTIZ (Spain)

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The meeting was called to order at 10.20 a.m.

OPENING OF THE SESSION

1. The **TEMPORARY PRESIDENT** declared open the twenty-second session of the Industrial Development Board. He welcomed Ministers from Burkina Faso, Côte d'Ivoire, Madagascar and Uruguay to the session. Their presence symbolized the positive attitude of the developing countries to UNIDO.

2. He thanked the Director-General, the Secretariat and all delegations for their cooperation during the past year and expressed the hope that the spirit of consensus would continue to prevail at the present session.

ELECTION OF OFFICERS

3. The **TEMPORARY PRESIDENT** said that he had received the following nominations: Mr. A. Ortiz (Spain) for the post of President; Mr. A. Kermanshah (Islamic Republic of Iran), Mr. F. A. Urruela Prado (Guatemala) and Mr. M. Nobilo (Croatia) for the posts of Vice-President; and Mr. A. Laassel (Morocco) for the post of Rapporteur.

4. *The candidates were elected by acclamation.*

5. *The President took the Chair.*

6. The **PRESIDENT** thanked the outgoing President of the Board for his efficient work during his term of office.

7. Article 2 of the Constitution of UNIDO provided that the Organization should encourage and extend assistance to the developing countries, in particular in the development, expansion and modernization of their industries. Development contributed towards the maintenance of peace, and the general raising of living standards helped to reduce conflicts. It was therefore essential for all Member States to assist in the work of UNIDO.

8. He expressed his appreciation to the Secretariat and the Director-General for their excellent work and for the documentation before the Board.

ADOPTION OF THE AGENDA (IDB.22/1 and Add.1; IDB.22/CRP.1)

9. The **PRESIDENT** said that the provisional agenda (IDB.22/1) was based on that adopted by the Board in decision IDB.21/Dec.16 (see document GC.8/4). It also included two items proposed by Member States, namely item 7, "Implementation of resolution GC.8/Res.3 on sustainable industrial development", proposed by Morocco, and item 8, "Establishment of an international centre for sustainable development", proposed

by Slovenia. An additional item 11, "Adoption of the report", inadvertently omitted from the provisional agenda, should be added.

10. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as Chairman of the Group of 77, proposed that the title of item 8 should be amended by the addition of the word "industrial" before the word "development".

11. *It was so agreed.*

12. *The provisional agenda (IDB.22/1), as amended, was adopted.*

STATEMENT BY THE DIRECTOR-GENERAL

13. **Mr. MAGARIÑOS** (Director-General) said that periodically evaluating the performance of the Secretariat was one of the main purposes of the Industrial Development Board, and both he and his staff felt stimulated by the Board's positive evaluation of their work and its continuous practical support. However, equally important was to engage Member States in a discussion on how to deal with the current challenges facing the Organization and how to move it forward. Such an approach had proved its importance in 1997 when the Board had approved the Business Plan on the Future Role and Functions of UNIDO. The sessions of the policy-making organs in the year 2000 would be equally crucial. He therefore suggested that the Board should consider focusing its discussions on the substantive matters before it. He would first give the Board his ideas about UNIDO's present and future.

14. The first issue was the financing of the integrated programmes. The Secretariat had now formulated and approved 41 integrated programmes, eight more than at the end of 1999. That meant a total yearly requirement for funding of \$60 million of technical cooperation over the next five years. In the past, the annual total of technical cooperation, excluding the Montreal Protocol, had been around \$40 million. An increase in technical cooperation delivery was what was demanded by the developing countries.

15. However, the Secretariat believed that technical cooperation was not just about giving money provided by a donor to a given country. A programme's relevance was based on the quality of the activities performed, but multilateral cooperation was a cooperative game in which donor and recipient countries alike gathered round a set of specific activities to work together for the betterment of the people. As the report of the United Nations Secretary-General for the Millennium Assembly had recalled, "We the peoples" was the driving force behind the Charter of the United Nations and all the United Nations system's activities.

16. That was why the Secretariat was now focusing attention more than ever on refining the methodology for technical cooperation formulation and delivery. The Secretariat was trying to learn from its experience with the integrated programmes over the last two years, and was organizing meetings to assess the potential impact and relevance of the Organization's activities. The staff of UNIDO had identified three groups of countries in that connection. The first group was one in which a more articulated impact could be produced in a short period of time. The second group contained countries where very good results could be achieved but where further analysis and studies were needed to ensure more integration. The third group included those where more would have to be done to strengthen the programme and articulate its impact in a sustainable manner. While the formulation of integrated programmes would continue, efforts in the short term would be concentrated on consolidating and improving the work already done.

17. The participation of members of the Board in the discussions on that topic would be particularly welcome. The Board's guidance was needed in deciding on the size and characteristics of UNIDO's technical cooperation, how many and which type of programmes should be pursued and what the strategies should be for the years ahead.

18. The participation of Member States should not be seen just as a matter of placing voluntary contributions: their views were needed on how to make UNIDO's activities more relevant as a contribution towards sustainable development.

19. There were good grounds to be cautiously optimistic about the evolution of the funding for UNIDO's integrated programmes. Some 67 per cent of the resources needed for the first year had been collected—some \$40 million, out of which \$6.2 million had already been invested by UNIDO, some \$22 million by donors and the rest by UNDP and self-financing trust fund agreements.

20. There were good examples of funding being obtained: the programme in Uganda, which had started in 1999, was close to being fully financed; Guatemala had taken the lead in financing its own technical cooperation activities despite a change of government; the programme of Sri Lanka was also evolving well with a commitment of almost one half of the funds required. Countries such as Denmark and the United Kingdom were responding positively to UNIDO's request for untied voluntary contributions.

21. However, it would be important to achieve some understanding and agreement on the foreseeable future of UNIDO's technical cooperation activities, to provide a predictable scenario for funding integrated programmes already formulated or to come. That would allow a better

focusing of efforts in programme formulation and implementation.

22. UNIDO needed to know how far its Member States wanted it to go, what sort of activities were perceived as more relevant than others and how well balanced the portfolio of programmes was. There was a need for a sense of partnership and a spirit of cooperation. Without that, the transformation process mandated by the Business Plan would not succeed.

23. The discussion on the size and characteristics of UNIDO's technical cooperation activities was extremely important, not only because of the need to finance the integrated programmes but also because of the process of UNIDO's decentralization and its portfolio of new initiatives. He saw decentralization as critical for the success of UNIDO. A number of ideas and initiatives had been developed, and an attempt was being made to establish regional offices. Decentralization and the planning of technical cooperation activities in the field were interlinked. The decentralization process implied not only a redefinition of UNIDO's presence in the field but also an assessment of the balance in the assignment of human resources between Headquarters and the field. It would be irresponsible to embark on a costly and painful exercise without a clear outline of the nature and scope of field operations.

24. In connection with the portfolio of new initiatives, UNIDO senior staff, during a recent retreat, had proposed a number of actions for the further streamlining of UNIDO's services and structure. A need had also been identified to complete the technical cooperation delivery system by the development of regional programmes. The management had recently approved guidelines for those programmes, involving integrated packages of services to address particular sets of industrial development problems. The regional programmes would focus on specific topics such as energy efficiency, the environment, the promotion of private sector development and the facilitation of access for the developing countries to international trade and investment flows. He hoped to submit examples of those programmes to the next session of the Board.

25. For the time being he could give the example of the "technology foresight" programme for Latin America, which had started implementation in March that year with the support of Italy. The Secretariat was developing other initiatives such as "UNIDO Exchange", a new tool to promote transfer of technology utilizing information technology.

26. The Secretariat had successfully implemented the resolution of the General Conference on the Global Environment Facility (GEF). The Council of GEF had approved a special arrangement to expand opportunities for UNIDO as executing agency given its specific expertise in new emerging areas for GEF activities.

27. While the integrated programmes were the heart of UNIDO's technical cooperation delivery and would remain so, the Organization could not pretend to cover the needs of the whole developing world and the countries with economies in transition with just one type of technical cooperation delivery. In addition to the integrated programmes and future regional programmes, UNIDO had another methodology for technical cooperation delivery: so-called "stand-alone projects". Those projects were submitted by Branch Directors and approved by Managing Directors. They were projects which drew mainly from one service module and were designed to be carried out in countries where no integrated programme had been developed. Since September 1998, approval had been given to 51 projects with a total volume of \$15.6 million in service modules related to investment promotion and institutional capacity-building and 29 projects for \$17.2 million in the area of environmental sustainability. The total for the whole Organization was 80 projects for a total value of \$33 million. Of that amount, \$24 million was already committed by UNDP and under trust-fund agreements with donors and recipient countries alike.

28. He considered stand-alone projects absolutely necessary to enable UNIDO to work with a global reach and tailor its services to the differing needs of its clients. They were an important complement to the integrated programmes. However, analysis of that portfolio should also be included in the assessment of the size and characteristics of UNIDO's activities and decisions about the utilization of the Organization's financial and human resources. Formulating and implementing the stand-alone projects required staff time, energy from the field offices, and important financial resources.

29. The Organization was back on its feet and full of ideas and commitment for the future. He was grateful to all delegations for the support and encouragement they had given him during the past two and half years. All could feel proud of what had been accomplished. In many ways, UNIDO's transformation process had taken the lead in contributing to reform efforts throughout the United Nations system.

30. A decision had now to be taken about the future. In the past two years the Secretariat had worked hard to implement its mandate. There was now a new methodology to explain how UNIDO developed and implemented its technical cooperation activities. Complete information was now available on the Organization's performance and focus. Nearly three years ago an agreement had been reached through the Business Plan to overcome a crisis. The crucial question today was how the fundamental basis provided by the Business Plan could be deepened and broadened to move the Organization forward.

31. He wished to express particular thanks to those countries that were giving intensive support to the Organization's efforts to transform itself, and in particular

those that had been able to allow UNIDO to use the unutilized balances to fund the integrated programmes. He also wished to thank those countries that by paying their assessed contributions in full and on time had allowed UNIDO to carry out its task. UNIDO was no longer in a crisis or facing urgent risks, and that was the setting in which a new agreement was needed to increase its relevance, importance and impact.

ORGANIZATION OF WORK

32. The **PRESIDENT** proposed that the Board should once again decide to suspend rule 32 of the rules of procedure regarding the quorum, except for meetings at which substantive decisions were to be taken. Rule 80 provided for a 24-hour period of notice of a proposal for suspension, which could be waived if no member of the Board objected. If he heard no objection, he would assume that the Board wished to suspend rule 32.

33. *It was so decided.*

ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1999 (IDB.22/2 and Corr.1 and Add.1)

34. **Mr. ABREU** (Uruguay) said that the increase in international trade had greatly outpaced the growth of world output. Two thirds of international trade consisted of trade in manufactured goods with high technological content, 70 per cent of that trade was directly linked to the most highly developed economies and the world's blocs of prosperity and security, namely Europe, the United States of America and Japan. Having presided over the last phase of the Uruguay Round of trade negotiations, Uruguay understood the interests at stake in the international arena and had learned objectively that countries had no permanent friends, only permanent interests. That being the case, it was necessary to be realistic and resolute, but also to develop an attitude of solidarity to ensure that international trade had equitable features that would translate into higher standards of living.

35. Transnational corporations played a key role in that process. Most of the approximately 40,000 transnational corporations currently in operation were in the manufacturing sector, where technology was of crucial importance. Economies of scale, financial planning, strategies and alliances, particularly among large corporations, had created a network of relations in which globalization determined the roles to be played by more developed and less developed countries. Global financial flows were another major factor. International financial transactions had grown four times as fast as investment in real assets and production, and the aggregate value of financial resources was several times that of international reserves. With the probable exception of the United States dollar, the Japanese yen and the German mark, all currencies on the international market were subject to

speculative manoeuvres that could result in the downfall of the economies concerned.

36. The World Trade Organization (WTO) had a critical role to play in lending strength, accountability and legal security to the new regulatory framework for international trade, as globalization in an increasingly competitive world posed new challenges to individual countries and to the various integration systems. The failure of the Seattle Conference was a clear example of how interests took precedence over objectives and how the strategies of some countries or sectors linked to the powerful interests behind trade, investment and financial flows could, in some cases, prevail over the goals of WTO, which should be supported by all countries, particularly developing ones.

37. Those issues were logically linked to the way in which integration processes were managed. Regionalism was an integration model which made openness compatible with integration and which gave all countries an opportunity to develop equitably under the principle of asymmetry—in other words, unequal treatment of unequal economies, though without confusing justice with paternalism. Countries were competitive partners in integration processes, which were a means of reconciling competitiveness with solidarity and of empowering all their members, especially in the industrial sector, without weakening any of them for the benefit of the others.

38. Those issues led to the question of how to manage the industrial sector. Countries with small economies sought to offset the differences by developing competitiveness based on technology and, especially, education in the service of the production structure. It was very important to develop the concept of asymmetry with the large economies that were the chief partners of those countries. The importance, for small countries, of having large neighbours was well known. That fact must be dealt with not by confrontation or complaint, but with a clear understanding that small economies had a right and an obligation to develop their entire chain of production, from the primary sector to the service sector, and to use the value added of industry to build competitiveness and productivity. That process, in turn, was based on the capacity of the enterprises and public sectors of the countries participating in those regional models to import technology and to adapt it to their competitive potential. The aim was to complement open regionalism with globalization and to provide a role to the smaller economies under the principle of asymmetry so that they would be able not only to compete in terms of producing goods and services, but also to raise their peoples' standard of living, which was the ultimate objective of every Government.

39. The challenge before the developing countries was to become more competitive from their areas of strength,

and not to blame their weaknesses on the strength of others. Sometimes, those weaknesses were inherent in their own economies and their own capacity to develop and to meet the challenges of the modern world. Developing countries should not expect from others what they were incapable of doing for themselves. That attitude would attest to the realism, decisiveness and professionalism of those countries. Uruguay was one of the small countries which, in cooperation with more developed economies, must make its best efforts to ensure the fullest possible development of its industrial sector throughout the chain of production. Uruguay therefore supported the efforts made by UNIDO and agreed that the Member States should focus on the role it should play in the future, which required the establishment of clear and well-defined objectives. International organizations did not die natural deaths, but disappeared as a direct result of the action or inaction of their members. The States Members of UNIDO must vindicate the Organization's efforts, recognizing that its activities signalled new hope for their industrial sectors. The Member States could make UNIDO the best instrument for the sustainable development of their industrial sectors by supporting its decentralization and the measures it was implementing and placing them at the service of those who expected something more than bureaucratic or technocratic responses to contemporary problems, particularly in the developing countries.

40. **Mr. PITTALUGA FONSECA** (Uruguay), speaking on behalf of the Group of 77 and China, said that he had noted from the 1999 Annual Report of UNIDO that the Organization had undertaken a number of activities in 1999 to provide integrated technical cooperation and to act as a global forum for the acquisition and dissemination of knowledge and as a partner in development. However, he was concerned about the Organization's financial situation, and urged Member States to increase their contributions in the area of technical cooperation. The Secretariat should renew its efforts to mobilize funds for the implementation of the integrated programmes. He welcomed the new format of the Annual Report; the Secretariat should continue its efforts to make the report more user-friendly.

41. The provision of adequate resources to finance the integrated technical cooperation programmes was the greatest challenge for UNIDO. The decline in voluntary contributions to the Industrial Development Fund (IDF) and the lack of sufficient, assured and predictable resources for the integrated programmes remained a cause of concern. The allocation of 6 per cent of the regular budget to finance technical cooperation had not helped matters. As the leading agency for industrial development, UNIDO required the political and financial support of Member States. The modalities for the IDF should be reviewed with the aim of making its resources more predictable. Member States should express their support for the Organization's reforms by providing the necessary resources for technical cooperation.

42. He was concerned to note that the Organization's financial difficulties were adversely affecting its operational activities. Both the collection rate of assessed contributions and the level of outstanding contributions in the year 2000 compared unfavourably with those recorded for the same period in 1999 and 1998. The pattern of delayed payments resulted in the non-utilization of scarce resources, which had to be refunded or placed in a special account through the suspension of the relevant financial rules year after year. However, he appreciated the fact that, out of the unutilized amount of \$5.62 million as at 31 March 2000, \$4.25 million was available in the special account for technical cooperation programmes. He urged those Member States that were in arrears to pay their assessed contributions in full and on time.

43. The successful formulation and implementation of the integrated programmes was extremely important to UNIDO. He was pleased to note that 29 integrated programmes covering various regions had been formulated and approved by the management as at the end of 1999. Further efforts should be devoted to the implementation of ongoing projects. He was also pleased to note that 11 additional programmes were at various stages of development and that another 18 programmes would be reviewed for possible formulation; that would bring the total number of integrated programmes to 58 by the end of 2000. He commended the Secretariat for having organized an impact assessment meeting, and hoped that similar meetings would be held within the next year to evaluate the medium- and long-term impact of the integrated programmes. In addition, the Secretariat should regularly update the Member States on the implementation of those programmes.

44. The development of competitive industries in a clean environment was the best way to fight poverty, enhance efficiency and reduce the risk of social conflict. UNIDO should therefore continue to focus on sustainable industrial development with a view to generating employment and protecting the environment. The Director-General should enhance cooperation between UNIDO and other agencies that dealt with sustainable development in order to help developing countries to build competitive economies and to generate productive employment in a sound environment. The transfer of technology was one of the most important means of attaining that goal.

45. With respect to the report on activities of the Joint Inspection Unit (JIU) (IDB.22/6), he supported the system of consultation and exchange of experiences among organizations of the United Nations system, which could be made more effective through close coordination with other agencies and organizations. However, no action should be taken on the JIU recommendations concerning results-based budgeting, since that system had not yet been approved by the General Assembly, and developing countries continued to have questions about it. UNIDO should continue to emphasize equitable geographical

distribution in its personnel policy, particularly at the Professional level. He strongly supported the maintenance of gender balance at all levels of the Secretariat and welcomed the efforts made to increase the presence of women in the Secretariat, particularly at the decision-making level. In addition, the Secretariat should continue its coordination efforts with Member States in regard to the establishment of subregional offices.

46. Lastly, he commended UNIDO for what it had achieved despite its continuing budgetary constraints. UNIDO was of great relevance for helping developing countries to build their industrial capacities and avoid marginalization in the globalized world. Industrialization was a dynamic instrument for the acceleration of economic and social development and important for poverty eradication and the creation of productive employment.

47. **Mr. ROSA LA** (Portugal), speaking on behalf of the European Union, together with Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Norway, Poland, Romania, Slovakia, Slovenia and Turkey, stressed the importance of industrial development in the fight against poverty. Developing countries and countries with economies in transition needed sustainable, environmentally friendly and technologically up-to-date industries, an area in which UNIDO had an important role to play.

48. The European Union welcomed the fact that UNIDO had strengthened its cooperation with various organizations of the United Nations system in order to create synergies, avoid duplication and obtain financing for its activities. It also welcomed the dialogue taking place with GEF and in connection with the Kyoto Protocol. It appreciated the briefings given to Member States on the results of the negotiations on UNIDO's participation in GEF and welcomed the recent decision of the Governing Council of GEF to create expanded opportunities for UNIDO as one of its executing agencies. The Union welcomed, in particular, the dialogue between UNIDO and the European Commission and wished to be kept informed about the follow-up action taken by UNIDO as a result of that dialogue.

49. UNIDO had been making a significant effort to promote cooperation within the United Nations system and had been the first specialized agency to second a Professional to the United Nations Development Group in order to support the United Nations Development Assistance Framework (UNDAF). The Union supported UNIDO's efforts to increase its representation in the field and to concentrate that representation in regional offices, where appropriate.

50. The Union welcomed the Organization's internal evaluation of its integrated programmes, of which a total of 41 had already been approved. The success of the programmes should be measured not by the number

approved but by their quality and the sustainable development that followed their successful implementation.

51. The Secretariat had taken a number of initiatives to attract funding for technical cooperation activities by cooperating with and mobilizing funds from various sources. Since the results of those initiatives were not immediate, global programming targets should be realistically developed and well-targeted projects should continue to be a valid option in countries where the development of an integrated programme was not feasible.

52. An independent, objective, measurable and simplified system of indicators should be developed to improve the quality of programmes, monitor their implementation and evaluate their impact on the industrial development of recipient countries. To that end, adequate resources should be provided to the evaluation unit. The Union welcomed the joint impact assessment seminar which had been held recently to promote greater participation by Member States in the process. Both recipient countries and potential donors should be involved at an early stage in the development of integrated programmes. A demonstrated commitment by recipient countries, including through cost-sharing arrangements, and a realistic funding plan were important elements when considering new integrated programmes.

53. The thematic concentration of the programmes and the focus on institutional support, policy advice and capacity-building were all elements that appeared to have been developed in accordance with the Business Plan. The Union supported the activities related to gender mainstreaming in all programmes and the special emphasis which the Organization placed on the least developed countries (LDCs), particularly in Africa. The Organization should continue to focus on the global goal of poverty alleviation. It should also consider ways in which the activities of the Investment and Technology Promotion Offices could be integrated into UNIDO's overall strategy and include in future annual reports a more detailed section on the activities of the Offices.

54. With regard to the Organization's financial situation, the Union was concerned at the outstanding contributions and arrears in payment of assessed contributions and recalled the responsibility of all Member States to honour their payment obligations.

55. Turning to administrative and personnel matters, the Union noted the changes in the gender balance within the Secretariat and supported efforts to redress the imbalance, particularly at the higher levels. However, greater transparency and efficiency were needed in the filling of vacancies. It commended the Secretariat on its efforts to introduce the new budgeting system and looked forward to the introduction of the euro as a single currency for UNIDO's programme and budget from the biennium 2002-2003. It also welcomed the investments that were

being made in order to update the information technologies used in the Secretariat.

56. The European Union remained committed to the Organization and supported the steps that had been taken to transform it. It recognized that time was needed for the impact of the drastic changes that had taken place to be felt in the field. The Director-General and his staff had worked very hard to ensure UNIDO's continuation and viability, and all Member States should support the Organization by providing the funding necessary to enhance its effectiveness and impact.

57. **Ms. ALEMAYEHU** (Ethiopia), speaking on behalf of the African Group, commended the Director-General and his staff on their dedication to the work of UNIDO and on their assistance to Africa's industrialization efforts. Of the 29 integrated programmes that had been formulated in 1999, 10 were in Africa. Despite the limited financial resources available, every effort had been made to implement the programmes. UNIDO had also forged new strategic partnerships with other development institutions, such as the World Trade Organization and the United Nations Conference on Trade and Development, which had proved beneficial to developing countries. It should continue to pursue similar alliances in the future.

58. The African Group was concerned at the continuing decline in UNIDO's financial situation. Despite the implementation of the reforms prescribed in the Business Plan, the collection rate had not improved and arrears in payments posed a major problem. While the African Group understood the domestic difficulties faced by some Member States, especially the developing countries, it strongly urged all Member States to show their support for the Organization by paying their financial obligations in full and on time to enable the Organization to carry out its mandate.

59. The African Group noted that \$200 million would be required over a period of four years for the implementation of the 29 integrated programmes that had been formulated. Since only 6 per cent of the regular budget could be allocated to the financing of technical cooperation programmes, emphasis should be placed on the mobilization of extrabudgetary resources for that purpose.

60. In formulating the integrated programmes, UNIDO had emphasized the concept of ownership of the programmes by the recipient countries. The African countries had embraced that concept and, within the limits of their capabilities, had contributed in cash or kind to the cost of implementation. Member States should show their commitment by mobilizing more funds for the implementation of the programmes and by contributing to the IDF. In that connection, the African Group wished to express its appreciation to those Member States that had responded to General Conference resolution GC/8 Res.4

concerning the use of unencumbered balances from earlier bienniums to finance integrated country programmes, particularly in LDCs.

61. UNIDO should play a greater role within the United Nations system as a central agency for the development of cleaner industry and productive employment. Its role could be strengthened by closer cooperation with organizations such as the World Intellectual Property Organization that promoted the transfer of environmentally sound technologies to developing countries. In that connection, a greater effort was needed to implement General Conference resolution GC.8/Res.3, and the Director-General should explore every opportunity for doing so.

62. Industrialization was the driving force behind economic growth in Africa and held the key to employment creation and poverty alleviation. All Member States should therefore support Africa's efforts to industrialize and to gain its rightful place in the globalized world.

63. **Mr. URRUELA PRADO** (Guatemala), speaking on behalf of the Latin American and Caribbean Group (GRULAC), said that the 1999 Annual Report clearly reflected the changes that had taken place in UNIDO's policies and programmes over the past few years. The Group noted with satisfaction that 29 integrated programmes had been formulated and that discussions on them were under way with other countries. Implementation of the integrated programmes was a challenge to which the Organization must rise, given their importance to the promotion of sustainable development in the developing countries.

64. It was essential, however, that adequate financial resources be provided for the full implementation of the integrated programmes. No purpose would have been served by launching such programmes if the planned objectives and expected impact were not achieved. The Group supported the Director-General's efforts to secure additional funding for the integrated programmes and urged donor countries to increase their voluntary contributions for technical cooperation activities.

65. Successful implementation of the programmes benefited not only the recipient countries but also the Organization, which, following the profound changes it had undergone, now needed to show that it was capable of discharging its principal mandate, namely the promotion of sustainable industrial development. GRULAC therefore shared the concern of other Member States and of the Secretariat at the high level of outstanding payments and arrears in contributions to the Organization's regular budget. Member States should honour their financial commitments to the Organization, even when their own budgetary constraints made it difficult for them to do so.

66. Lastly, the Group welcomed the constructive dialogue that was taking place between the UNIDO Secretariat and the Joint Inspection Unit on the question of the follow-up to the reports and recommendations of the Unit. It shared the position adopted on the matter by the Group of 77 and China and requested the Secretariat and the Joint Inspection Unit to continue their work so that Member States could obtain the information that was needed for proper decision-making.

67. **Mr. AFFI** (Côte d'Ivoire) said that UNIDO had emerged from its period of reorganization as a viable international organization with precise objectives and an effective management. By the end of 1999, nearly 30 integrated technical cooperation programmes around the world had been formulated and operationalized to address the needs of Member States. His delegation welcomed the regional approach which UNIDO had adopted for Africa and in particular for the members of the West African Economic and Monetary Union. The success of the programmes would go a long way towards promoting economic integration in the region. The Director-General should now operationalize the regional offices that had been identified.

68. In the field of development, however, the best ideas had value only if they were implemented and helped to improve the quality of life of the populations concerned. His Government therefore appealed to all Member States and development partners to provide the resources needed to consolidate the Organization's considerable achievements and to enable it to fully discharge the mandate with which it had been entrusted.

69. It was generally recognized that rapid industrial growth was the principal means of creating jobs, increasing incomes and improving the living conditions of populations. Social and economic transformation could not be achieved in the developing world without rapid industrial growth, which was the key to combating marginalization and poverty. In recognition of the role of industry in the transformation of national economies, African States and the international community had declared the period 1993-2002 the Second Industrial Development Decade for Africa. That initiative had been strengthened by the Alliance for Africa's Industrialization (AAI), which had been established in 1996 to address the continent's economic problems by promoting industrialization and combating poverty. UNIDO's expertise made a valuable contribution to those efforts.

70. The long-standing relations between UNIDO and Côte d'Ivoire had been given renewed impetus recently with the signing of a technical cooperation agreement and the upgrading of the UNIDO office in Abidjan to a regional office. Côte d'Ivoire valued the technical and financial cooperation received from UNIDO for the

formulation and implementation of its integrated programme. Several components of the programme were currently being implemented with support from the Government or private sector of Côte d'Ivoire, and a strategy must now be developed to mobilize some \$6 million in additional funding from bilateral and multilateral donors.

71. Even though it had been governed by a transitional regime since 24 December 1999, Côte d'Ivoire continued to honour its international commitments and sought to strengthen its cooperation with the international community while laying the foundations for economic, social and cultural development. A referendum on a new constitution would be held in July 2000 and presidential and legislative elections later in the year with a view to the restoration of constitutional rule in Côte d'Ivoire.

72. Mr. CISSE (Burkina Faso) said that his country had been the first beneficiary of the Organization's new system of integrated programmes, whose results thus far included jobs and higher incomes for the poorest sectors of the population, particularly women. A number of pilot projects had been established in such fields as leather working and the drying of fruits and vegetables, and training programmes had been organized in standardization, testing and quality control. Those initiatives had been made possible through the partnership between Burkina Faso and UNIDO and thanks to the voluntary contributions that had been received from certain developed countries. The beneficiaries themselves had also contributed to the establishment of the pilot units, thereby demonstrating their commitment to the programme. As the Minister responsible for industry in Burkina Faso, he wished to express his complete satisfaction at the results that had been achieved thus far.

73. In order to continue a programme which had given such hope to beneficiaries, it was vital to obtain the necessary funds, and he appealed to Member States to increase their voluntary contributions to UNIDO. He also encouraged the Director-General to continue with his efforts to mobilize resources from bilateral and multilateral sources of finance. The beneficiary countries should also support UNIDO in that endeavour. Resources allocated to technical cooperation were inadequate. The international community must support UNIDO by increasing financial contributions for implementing integrated programmes and other projects; moreover, all Member States should pay their assessed contributions on time. Burkina Faso would be paying a large part of its arrears of contributions in the next few days.

74. Mr. CHOI Sang-duk (Republic of Korea) said that at a time of rapid globalization UNIDO's pursuit of industrialization which was tailored to the specific needs of individual developing countries was increasingly important. In particular, the importance of its field operations could not be overemphasized. However, if

UNIDO was to succeed it needed strong support from its Member States, and as a first step it was most important that all Member States in arrears should pay their dues. No organization could function properly when a third of its members had lost their voting rights for being in arrears. His delegation strongly urged Member States to pay their dues in full and on time, and requested the Organization to make greater efforts to seek settlements with the Member States concerned. With regard to mobilizing new sources of funds, his delegation proposed that UNIDO strengthen its partnership with the private sector and consider new approaches such as making it possible for multinational corporations to make financial contributions.

75. Mr. MANNO (Italy) said that his Government had signed trust-fund agreements with UNIDO for the establishment of investment promotion units in Jordan, Tunisia and Uganda and for two projects in Tunisia in the textile and leather sectors. Italy had always been committed to the promotion of industry in developing countries, and particularly welcomed UNIDO's initiative in convening the Forum for Industrial Development in November 1999.

76. Mr. SRINIVAS (India) said that, although globalization had not always been a smooth and painless process, it had become an imperative, and its relevance as a robust strategy for the betterment of mankind as a whole could not be questioned. It provided the unique opportunity to share capital, technology and knowledge on a global scale, which seemed to be the only viable answer to the problems of poverty and economic underdevelopment. UNIDO had an important role to play in bridging the gap in industrial growth between developed and developing economies, which would facilitate healthy world economic growth.

77. India welcomed the Director-General's efforts in carrying out organizational restructuring and in improving programmes and implementation methodologies to meet the core concerns of member countries. India appreciated the new approach of providing comprehensive packages of integrated services aimed at sustainable industrial development, which had facilitated the matching of national industrial priorities within overall development goals through client focus and convergence of the efforts of private and public stakeholders. Such integration not only created a healthy synergy between all programmes but also built up the critical mass necessary for such efforts to succeed.

78. In the context of the emerging World Trade Organization environment, there was a need for a sharper focus on small and medium-sized enterprises (SMEs). Removal of quantitative restrictions did not ultimately lead to additional demand, since SMEs faced a number of supply-side constraints; their strengthening would require comprehensive efforts in terms of forward/backward linkages and transfer of technology, as well as an

appropriate policy framework. Some of the schemes that could be pursued were computerized dissemination of industrial information, subcontracting exchanges and technology banks. UNIDO and India had recently established the International Centre for Advancement of Manufacturing Technology (ICAMT), which was aimed at enhancing the global competitiveness of SMEs through appropriate technology-based interventions. The Entrepreneurship Development Institute at Ahmedabad had been designated as an interregional centre for entrepreneurship development, with focal point institutions being set up in Asia, Africa and the Arab region. UNIDO's private-public partnership experiment in India's automotive component manufacturing sector had demonstrated the efficacy of involving all stakeholders in achieving programme success, and the possibilities were now being explored of transforming the project into a national programme that would enable Indian automotive components manufacturers to plug in to the global supply chain. Such a programme would depend largely on national capacity-building.

79. India fully supported UNIDO's involvement in the identification and implementation of Global Environment Facility projects, of which India was an important beneficiary. However, India considered that the response time to projects proposed under the GEF programme should be considerably reduced through greater interaction with member countries and GEF implementing agencies.

80. India appreciated UNIDO's efforts to strengthen its field offices, and was particularly satisfied by the transformation of the UNIDO country office in New Delhi into a regional office. It urged the Director-General to make the regional office operative with immediate effect.

81. While a series of initiatives had been taken to strengthen UNIDO's technical capabilities, financial matters remained a major area of concern. The Organization's deteriorating financial position needed to be addressed urgently. A particular problem was that of delayed payments and arrears, which led to the peculiar situation of surplus funds at the end of the year with no automatic roll-over. Informal consultations should continue in the quest for a permanent solution to the problem of unutilized funds. India urged Member States concerned to pay their arrears of assessed contributions without further delay. India paid its assessed contributions regularly, and also made substantial voluntary contributions to the IDF, to which it had already pledged a voluntary contribution of \$1.2 million for the year 2000. India urged donor countries to raise their voluntary contributions to facilitate funding of technical cooperation and integrated programmes.

82. Mr. ZHANG Yishan (China) said that UNIDO had made great progress in discharging the mandate given

to it by the General Conference at its seventh session in terms of streamlining its structure and improving its working methods. In the past year the staff had decreased by 8 per cent, while the rate of approval and implementation of projects had increased and the time taken to approve technical cooperation projects had shortened. UNIDO's integrated technical cooperation programmes had brought great economic and social benefits, especially to the least developed countries of Africa. However, China noted with concern that lack of finance was hampering UNIDO considerably in terms of its ability to deliver technical assistance. The information provided showed that only 14 per cent of the total budget for the integrated programmes was currently funded. China hoped that UNIDO would intensify its efforts to secure guaranteed finance for technical cooperation projects, and continue to explore possibilities for finance on international capital markets, as the International Fund for Agricultural Development had done.

83. UNIDO's financial situation aroused deep concern and anxiety among many countries, including China. The amount of assessed contributions now in arrears had reached \$140 million. Sixty-seven of the 168 Member States had already lost their voting rights because of their failure to pay assessed contributions. The Board should adopt effective measures to redress that abnormal situation. UNIDO was the only organization in the United Nations system with a clear mandate to provide services to developing countries, and it was particularly regrettable that many of the countries with arrears of contributions were developing countries. Only with adequate funding could UNIDO's proper functioning be guaranteed, and it was the duty of each Member State to pay its assessed contribution on time. In order that UNIDO should avoid a repetition of the crisis it had suffered two years before, all Member States should make joint efforts to pay their dues in time and explore other sources of funding.

84. China was a developing country in which economic development was unbalanced. The western part of the country was relatively backward, and the Government had recently begun to implement a strategy for developing it by targeting 70 per cent of its investment to helping the provinces and regions of the area to develop their economies. The western part of China was rich in natural resources and manpower, and had great potential for development. It was to be hoped that UNIDO, in cooperation with the Government of China, would formulate integrated development programmes for the western part of the country and, through its investment promotion network, introduce more investors to the area. Western China was an area where UNIDO could play a great role, and where investors would obtain very good returns.

85. China would continue to strengthen its cooperation with UNIDO, and was considering increasing its contribution to the IDF.



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Industrial Development Board

Twenty-second session

SUMMARY RECORD OF THE 2nd MEETING

Held at the Vienna International Centre, Vienna,
on Tuesday, 30 May 2000, at 3 p.m.

President: Mr. ORTIZ (Spain)

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The meeting was called to order at 3:15 p.m.

ORGANIZATION OF WORK

1 The **PRESIDENT** said that the Bureau had decided to recommend that the Board should follow its practice at previous sessions and hold informal in-session consultations to facilitate the drafting of consensus decisions. The Bureau had also recommended that Mr. F. Urruela Prado (Guatemala), in his capacity as Vice-President, should chair the consultation meetings.

2 If he heard no objection, he would take it that the Board accepted those recommendations.

3 *It was so decided.*

ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1999 (continued) (IDB.22.2 and Corr.1 and Add.1)

4 **Mr. SHOUKRI** (Egypt) said that his country appreciated the efforts of the Director-General and the Secretariat to continue the Organization's activities in the current difficult financial circumstances, which were affecting UNIDO's ability to deliver technical assistance projects. Egypt had always paid its contributions in good time, and had decided to approve the use of its unutilized balances for 1992-1993 and 1996-1997 for the financing of integrated programmes. He urged Member States to help alleviate UNIDO's financial difficulties by paying their contributions in good time and paying off their arrears. Egypt appreciated the Secretariat's efforts to find new solutions to the Organization's financial problems and encouraged their continuation, while stressing the importance of full consultation to achieve maximum transparency.

5 The necessary financial resources had to be found to finance integrated programmes for the benefit of the developing Member States. The low level of voluntary contributions and the small proportion of the regular budget that could be used for technical cooperation activities gave cause for concern. It was urgent to find additional sources of financing.

6 He welcomed the information on the integrated programmes in the Director-General's report, and the large number of such programmes for the African continent. However, more attention should be given to intensifying programmes for the Arab countries as part of the strategy to strengthen their industry. In that connection he welcomed the work of the Arab Regional Forum held in Cairo from 6 to 7 November 1999, attended by the Minister for Industry and Technological Development of Egypt together with representatives of UNIDO and the Arab League. An important exchange of views on industrial development in the Arab region had taken place.

7 He supported the draft programme for the year 2000, including efforts to support the economy of Palestine and to strengthen the peace process in the Middle East, and hoped that the necessary resources would be found to implement the projects concerned.

8 **Mr. CIENIUCH** (Poland) thanked the Director-General for his informative review of UNIDO's transformation process. The Organization was now in incomparably better shape than at the outset of the Director-General's tenure of office. The Director-General's substantial and useful Annual Report for 1999 was a sign that UNIDO was heading in the right direction, towards more specialized services and the adaptation of its activities, particularly within the integrated programmes and service modules, to the needs and demands of both recipient and donor countries. Such an approach would result in a strengthened role for UNIDO as a tool to assist the industrialization and restructuring process in developing countries and countries with economies in transition.

9 The problem of UNIDO's financial situation was a serious, long-standing one. The Polish Government had always paid its assessed and voluntary contributions regularly. His delegation noted the volume of unpaid assessed contributions and the issue of arrears. It also noted that the level of regular budget cash resources was lower than in previous years and that the collection rate for assessed contributions in 2000 was unfavourable as compared with 1999 and 1998.

10 Turning to the question of the integrated technical cooperation programmes, he said that his Government endorsed the new approach of promoting integrated packages of UNIDO services in developing countries. That approach enabled recipients to obtain a more tangible package of demand-driven technical assistance and gave UNIDO a chance to become a real partner for recipient Governments in their efforts to cope with development problems.

11 An impressive number of integrated programmes had been prepared by UNIDO staff in a short time. Priority attention had rightly been given to the African region; however, more emphasis should be put on assisting the countries in transition as well, particularly those with the lowest gross domestic product (GDP) per capita, which in some parts of central Asia was as low as in the least developed African countries. Many of the countries concerned were suffering from a very deep recession caused by the legacy of the past and the change of economic system. Such countries, particularly those with Governments fully committed to economic transformation, should obtain more favourable treatment with respect to funds for the preparation and implementation of integrated programmes.

12. The gap between the number of programmes prepared and those that had attracted the attention of donors remained wide. The question of what should be done to increase the pool of financial resources required for the implementation of such programmes was one not only for the Secretariat but also for the donor communities. While the collection rate of funds for integrated programmes was impressive, the needs of the countries concerned were far from having been met. Every effort should therefore be made to convince major donors and international financial institutions to establish a pool of resources for integrated programmes. Equally important would be to obtain recognition of UNIDO's status as an implementing agency in areas such as small and medium-sized enterprise development, investment and technology promotion, cleaner production and energy efficiency. UNIDO had been appointed the implementing agency in the phase-out programme funded from the resources of the Montreal Protocol. The possibility of obtaining a similar mandate, for example, from the Global Environment Facility (GEF) and European Union programmes should be examined.

13. Joint arrangements with bilateral development agencies for the preparation, financing and implementation of UNIDO's integrated programmes could be examined. Discussions should be based on the fact that the ownership of integrated programmes was assigned not to UNIDO but to the recipient countries, and each development agency should be given opportunities to participate in their financing and implementation.

14. Not all eligible countries would benefit from the new integrated approach of UNIDO, in view of the Organization's limited capacity. However, there was a declining trend in individual projects processed by UNIDO and in some countries the Organization had ceased to provide assistance. An alternative strategy should perhaps be developed for countries unable to benefit from the integrated programme scheme. The Secretariat should continue with the promotion of individual projects along the lines of UNIDO's service modules in countries not expected to be covered by integrated programmes.

15. He welcomed plans to increase the focus on countries with economies in transition in 2000.

16. **Mr. ABE** (Japan) said that industrialization was the cornerstone of sustainable development, which was the key to the fight against poverty. His Government appreciated the financial and administrative transformations carried out by the Secretariat under the Director-General's strong leadership and hoped that UNIDO would continue its efforts and become a model within the United Nations system.

17. His delegation welcomed the successful introduction of the new financial system and the efforts to

strengthen field representation, as shown by the 44 per cent increase in resources allocated to field programmes in the budget for the current biennium and the appointment of Headquarters staff to posts in UNIDO field offices and regional centres.

18. UNIDO's future rested on the successful implementation of integrated programmes. Nine new such programmes had been approved by the Organization's management, bringing the total number so far approved to 42 at an estimated total cost of \$289 million. However, the financing of those programmes had thus far proved less than satisfactory. Voluntary contributions committed by 31 December 1999 amounted to only \$28 million. Serious consideration would have to be given by Member States and the Secretariat to ways of closing that gap. However, to avoid spreading limited resources too thinly, priorities among the programmes must emerge and some programmes would have to be slimmed down or removed if they could not attract enough funding for their full implementation.

19. In his message at the beginning of the Annual Report for 1999, the Director-General had raised the question of the criteria on which one should base the selection of the next countries to benefit from technical cooperation. That question needed serious consideration to ensure the Organization's transparency and accountability. His delegation welcomed the in-house work going on within the Secretariat to select suitable and affordable programmes and the efforts being made to mobilize financial resources in a number of ways such as cost-sharing by recipient countries, co-funding with loans from the World Bank and other international financial institutions or grant aid from the United Nations Development Programme (UNDP), for instance, as well as active reporting to all participating donors both at field level and at Headquarters.

20. Japan intended to continue contributing to selected components in the integrated programmes appropriate for multilateral-bilateral cooperation within the context of South-South cooperation and small- and medium-scale private sector development.

21. His Government also recognized the necessity of further negotiations between UNIDO and the GEF to strengthen UNIDO activities in the area of the environment, a very important element of the Business Plan.

22. His Government had supported the General Conference decision on the use of the unutilized balances of appropriations for the 1992-1993 and 1996-1997 bienniums with a view to accelerating the implementation of the integrated programmes. However, that should be regarded as a strictly exceptional measure. Assessed contributions should continue to be used for Secretariat expenses and voluntary contributions for technical cooperation programmes.

23. The non-payment or delayed payment of assessed contributions by Member States had a bad effect on UNIDO's activities related to the regular budget, and his delegation urged Member States to pay their outstanding assessed contributions as soon as possible.

24. He wished to reiterate the need for a system to stabilize the implementation of activities within the regular budget. The Financial Regulations should be amended so that programmes planned but not yet implemented due to the shortfall in contributions could be funded with the approval either of the Board or of the General Conference. Japan was taking an active part in the discussions on that matter and hoped that more stable funding for the future would result.

25. The Japanese Government, together with the Government of Malaysia, the United Nations, UNDP and the Coalition for Africa, had organized the Third Asia-Africa Forum (AAF III) in Kuala Lumpur from 23 to 25 May. That Forum had served as a follow-up to the Second Tokyo International Conference on African Development (TICAD II), held in 1998. The Forum had discussed the transfer of information technology to the developing African countries.

26. In addition, the Government of Japan was sponsoring, with UNIDO as the implementing agency, an Asian-African Information and Technology Transfer Centre, aimed at establishing an investment database for the private sectors in Africa and Asia and also organizing Asian investment missions for Africa.

27. His Government welcomed the "UNIDO Exchange" initiative and hoped that UNIDO would play a major role in assisting Africa's entry into the world of information technology.

28. **Mr. LAASSEL** (Morocco) said that he would touch on items 4, 5, 6 and 7 of the agenda in his statement as well as item 3.

29. His delegation was pleased to note the improved, more accessible presentation of the Director-General's Annual Report. UNIDO had succeeded in its reforms, and the integrated programmes provided a new approach to the industrialization of the developing countries. However, only 14 per cent of the total budget of about \$200 million for the 29 integrated programmes was funded, with a further 7 per cent announced. Even though the financial resources available for technical cooperation from the Industrial Development Fund (IDF) had increased by 50 per cent over the 1997 level, they still fell below the 1995 level. Traditional industrialization was no longer attractive to the international community and technical cooperation machinery was becoming increasingly outdated and ineffective.

30. Over the last twenty years there had been widespread though unjustified doubts about the role of industry as an engine for growth as against that of the service industry, which provided much employment. The effects of unrestrained industrialization on the environment, health and the quality of life attracted much criticism. But industry was essential to accelerate the growth of the developing countries and it was the only way to create sufficient employment, combat poverty and mitigate the risk of conflict. What was needed was an effective strategy combining industrial and training policy.

31. UNIDO must play its full role within the United Nations system as the coordinating agency for industrial development. It should strengthen its cooperation with other international organizations in promoting sustainable industrial development through projects aimed at creating a competitive economy that would generate employment in a healthy environment. Appropriate infrastructure and vocational training should be provided. That could only be done properly with the participation of multilateral structures such as the Montreal Protocol, the Kyoto Protocol and the Global Environment Facility.

32. Another way to strengthen technical cooperation was to improve the reliability of resources for the IDF. Since industrial development was of interest to all Member States, all should contribute a share to the IDF calculated on a basis similar to the one used for the Organization's regular budget. The Secretariat should submit precise annual estimates of its needs for the implementation of integrated projects, taking into account the participation of beneficiary States in financing their own programme according to the principle of cost-sharing. The amount thus determined should be distributed equitably among Member States. That new mechanism should not, however, exclude the other methods already in use.

33. UNIDO's financial situation still gave cause for concern; the funds available at 20 May 2000 amounted to only about one month's operating expenses. Only 33 countries including four LDCs had paid their contributions for the regular budget and 64 Member States had lost their right to vote. He therefore urged all Member States to pay their assessments in full and on time and appealed to the Director-General to pursue his efforts to apply the proposed payments plan.

34. Two components of the integrated and modular programmes to improve competitiveness in the industrial sector in Morocco were being implemented with assistance from Switzerland and Italy, to which he expressed his thanks. However, his delegation was concerned as to the implementation of the other components of the programme. Morocco had already pledged 31 per cent of the financing for the programme on the basis of cost-sharing and he appealed to the Director-General to pursue his efforts to mobilize the necessary resources.

35. **Mr. NOBILO** (Croatia) commended the achievements of the Director-General and his team in reforming and streamlining UNIDO. Discipline and restraint in financial matters had been introduced, and performance had improved overall. The priorities adopted had resulted in an Organization that was more client-orientated, modern, flexible and decentralized, as the Director-General had rightly concluded in his Annual Report.

36. Croatia supported the integrated programmes and hoped that adequate financial support would be made available for them.

37. Croatia had been a member of UNIDO since becoming independent in 1992. As a country with a war behind it and a great need for reconstruction, it appreciated the help it had received when it was most needed. Croatia's transition from a socialist to a market economy had not been smooth because the war had destroyed much of its industrial capacity and had been followed by unrestrained privatization.

38. Today, with a change of government, Croatia was determined to implement principles similar to those adopted to reform UNIDO: financial discipline, the streamlining of activities and the setting of priorities. It was developing integrated programmes and trying to improve relations with its neighbours. Croatia had enjoyed productive cooperation with UNIDO and achieved excellent results. Nevertheless, in the last few years the level of cooperation had decreased, partly because of Croatia's own past political image. There were now only a few ongoing programmes with UNIDO support. A cleaner production project had recently been completed and a centre for cleaner production established. However, Croatia would like to intensify its cooperation with UNIDO. It placed special emphasis on programmes from the environmental portfolio, and also believed in the development of the private sector. That could be achieved through an enterprise efficiency project and the establishment of an industrial subcontracting and partnership exchange in which small and medium enterprises would be able to find counterparts and markets in other countries. Both those projects had already been formulated and approved by UNIDO, but due to lack of funding had not yet been implemented.

39. In view of his Government's enhanced regional orientation, he wished to support the proposal to establish an international centre for sustainable industrial development in Slovenia, which would complement UNIDO's strategy for solving problems faced by transition economies in relation to sustainable industrial development, and might also be useful in solving the problems of developing countries.

40. **Mr. MOWOE** (Nigeria) said that the Annual Report for 1999 showed that the Organization's reforms

had started to yield fruit. However, many problems remained, the most serious of which was the lack of adequate financial resources to implement the integrated programmes. UNIDO could play a key role in promoting industrial development in the developing countries provided it was helped by Member States to implement integrated programmes. He strongly urged Member States, according to their ability, to provide UNIDO with the necessary resources.

41. His delegation supported the new methods of funds mobilization and agreed that beneficiary countries had a joint responsibility with the Organization to mobilize funds. However, consultations should be continued to ensure that the responsibility was equitably shared. There was merit in the view that donor countries should be contacted at the early stages of the preparation of integrated programmes to maximize the chances of securing adequate funding. Every effort should be made to reverse the decline of voluntary contributions to the Industrial Development Fund, and his delegation would support any measure that would enable the Organization to acquire predictable and assured financial resources.

42. His delegation was seriously concerned that the collection of assessed contributions was still declining. His delegation strongly urged all Member States to pay their contributions in full and on time. The Nigerian Government had approved the immediate payment of about half of its total outstanding contributions, the balance of which would be paid within the next few months.

43. Nigeria and UNIDO had completed the formulation of the Integrated Programme for Nigeria, and efforts to establish a trust fund to implement it were at an advanced stage. He was proud to report that Nigeria was currently celebrating the first anniversary of its return to democracy. The Nigerian Government was making every effort to install a climate conducive to economic growth and development, one of the most important requirements for democracy. Defective infrastructures were being upgraded, appropriate macroeconomic policies were being implemented, and privatization was being vigorously pursued. Those well-focused efforts deserved the full support of the international community. The Government welcomed the integrated programme and hoped that the trust fund for its implementation would be successfully established. His Government was committed to making the necessary funds available for the programme.

44. The Government and people of Nigeria had greatly appreciated the Director-General's successful three-day visit to Nigeria in April 2000, which had reinforced the relationship between Nigeria and UNIDO and increased the interest of Nigerians in UNIDO activities. He welcomed the establishment in Lagos of the Regional Industrial Development Centre during the Director-General's visit, just when Nigeria's new industrial

blueprint had been approved by the Government. The Centre would bring UNIDO closer to the people of the entire West African subregion. The Nigerian Government would continue to provide maximum support to enable the Centre to attain its objectives.

45. Nigeria was facing formidable challenges in its efforts to industrialize its economy, enhance economic growth, raise living standards, provide employment and alleviate poverty, but was making steady progress. His delegation appreciated the role played by UNIDO in the Alliance for Africa's Industrialization, the Second Industrial Development Decade for Africa and the Conference of African Ministers of Industry. It would continue to rely on the expertise of UNIDO in its efforts to achieve coordinated industrial development.

46. **Mr. REGUIEG** (Algeria) said that his delegation welcomed the more user-friendly format of the 1999 Annual Report, which met the often-expressed desires of Member States.

47. Regarding the financial situation of UNIDO (agenda item 5), he noted that the Organization had unfortunately not yet received all the financial resources necessary to allow the Secretariat to discharge its mandate properly. Fortunately UNIDO was not facing a financial crisis, but Member States should be concerned at the inadequacy of the resources available for the Organization's tasks, especially in view of their expressed support for the reform programme. His delegation therefore strongly urged those Member States that had not yet done so to meet their financial commitments to UNIDO as soon as possible. Algeria would shortly be paying its own assessment for the year 2000.

48. With regard to the financing and implementation of the integrated technical cooperation programmes, his delegation appreciated efforts made by the Secretariat in drawing up such programmes, which had now become UNIDO's principal method of carrying out technical cooperation activities. While his delegation was satisfied with that approach, it was concerned at the lack of funds necessary for implementation. Only a small percentage of the funds needed were available, and it was essential that more efforts should be deployed to mobilize the resources required. His delegation considered that the donor countries had a particular responsibility in that regard because, without the necessary resources, everything that had been accomplished would be in vain and the whole process would have to be restarted. That would be regrettable both for the developing countries and for UNIDO. Some of the statements made so far in the debate, however, encouraged him to hope that Member States would rally to UNIDO's support.

49. His country, together with UNIDO, had formulated an integrated programme for an amount of nearly \$12 million, which it was prepared to finance to the tune

of 25 per cent. It was seeking potential donors in close coordination with the Secretariat.

50. **Mr. CHAICHITS** (Belarus) said that his country had always been a champion of UNIDO and had supported its reform process. In 1999 it had paid substantial arrears to the Organization, despite its difficult economic and financial problems which were compounded by the costs of minimizing the consequences of the Chernobyl accident. Belarus was doing its utmost to regularize its arrears situation, which was aggravated by the fact that its assessment did not correspond to its real capacity to pay.

51. Turning to the 1999 Annual Report, he noted the Secretariat's progress in mobilizing funds for technical cooperation activities, and the first results of the integrated programmes. However, it was premature to claim that UNIDO had achieved qualitative reforms in technical cooperation matters, since in the Secretariat's activities theory often prevailed over practice.

52. Because of the difficulty of funding large-scale integrated programmes, Belarus had preferred to concentrate its attention initially on a project to establish the infrastructure necessary to support innovative enterprises in Belarus, a project which met all the requirements of an integrated approach. Depending on the results achieved, the programme would be expanded by the inclusion of further components. The Government of Belarus had earmarked funding in its budget for 2000 for the implementation of that project. However, the Secretariat had not yet given its approval to the project. Belarus regarded technical cooperation as a priority area of UNIDO's activities and hoped that the Secretariat would improve its decision-making processes. For its part, Belarus was prepared to offer its support to strengthen the Organization's potential.

53. The level of cooperation so far achieved between UNIDO and Eastern Europe and the newly independent States of the former Soviet Union (NIS) was unsatisfactory. The Secretariat should devote greater attention to the practical implementation of General Conference resolution GC.8 Res.6. The specifics of the situation in the region should be taken into account. Countries with economies in transition had a fairly stable industrial base and, with UNIDO assistance towards modernizing and developing it, they could move from the category of recipients of technical assistance to that of donors, which would undoubtedly further the progress of the Organization itself. Visits by UNIDO management to countries in the region would make a real contribution towards revitalizing cooperation in that area. His delegation thanked the Director-General for agreeing to visit Belarus and had high hopes of that visit. It hoped the dates for the visit could be finalized shortly and expected that it would then be possible to clarify cooperation with UNIDO, resolve specific problems and give fresh impetus to the cooperation of Belarus with the Organization.

ADMINISTRATIVE MATTERS (IDB 22/6 and Add.1)

Activities of the Joint Inspection Unit

54. **Mr. KUYAMA** (United Nations Joint Inspection Unit (JIU)) said he was pleased to note that UNIDO had welcomed the JIU review of the Administrative Committee on Coordination (ACC) and its machinery (JIU/REP/99/1) and its report on results-based budgeting (JIU/REP/99/3). He was also pleased to note that UNIDO had agreed with all recommendations contained in the JIU report on private sector involvement and cooperation with the United Nations system (JIU/REP/99/6) and had in fact already complied with many of them. In that connection, he said that it might be useful if, as a general principle, the status reports on the implementation of the JIU recommendations were submitted regularly to the Board. Finally, he noted with pleasure that UNIDO had also welcomed the JIU report on policies and practices in the use of the services of private management consulting firms in the organizations of the United Nations system (JIU/REP/99/7), and said that UNIDO's comments contained in paragraph 8 of document IDB 22/6/Add.1 had been duly noted.

55. Turning to section II of document IDB 22/6, entitled "Note submitted by the Joint Inspection Unit to UNIDO", he said that the Unit had proposed a system for the follow-up of JIU reports and had prepared notes on the handling of JIU reports with a view to improving current practices. Section II of document IDB 22/6 should be read in that light. JIU was basically appreciative of the way its reports were presented to the Board in the document, but believed that there were still some aspects relating to the procedures of handling or following up JIU reports which required a clearer understanding between the UNIDO Secretariat and JIU. In that connection, a constructive dialogue had begun with officials of the UNIDO Secretariat with the aim of arriving at an agreement. Accordingly, the Board might wish to take note of section II of document IDB 22/6 and, at the same time, take a decision encouraging the UNIDO Secretariat and JIU to continue their dialogue with a view to developing clear procedures for the future handling of JIU reports and to report back on them to the Board in due course. Similar dialogues were being held with a number of other organizations, including the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations and the World Food Programme (WFP). In the case of WHO, agreed procedures had been endorsed by its Executive Board on 22 May 2000, and the Executive Board of the WFP took a decision on 18 May 2000 encouraging the dialogue and report-back procedure. It was JIU's sincere hope that the Industrial Development Board would take a similar decision.

ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1999 (continued) (IDB 22/2 and Corr.1 and Add.1)

56. **Ms. PELLICER SILVA** (Mexico) said that the Annual Report showed how UNIDO had successfully passed through a difficult stage of its organizational transformation and was moving swiftly towards new horizons. However, the situation was not at all encouraging from the financial point of view. UNIDO was at the bottom of the list of the organizations of the United Nations family in terms of the proportion of Member States in arrears of contributions. By the end of the first quarter of 2000 only 28 Member States had paid their contributions in full for the year, and 10 had done so in part, including Mexico. Those payments represented only 35.9 per cent of the money that was due, and for the first time donor countries were owing more than \$30 million. One of the ways of assessing the commitment of a Member State to an organization was whether it paid its assessed contributions on time and in full. At the end of each year Mexico fulfilled its financial commitments to international organizations, it hoped that the current trend of increasing arrears in UNIDO would be reversed, and that all those Member States which had subscribed with such enthusiasm to UNIDO's reforms would demonstrate their support by making sure that they fulfilled their principal obligation.

57. Regarding the financing and implementation of integrated programmes, the new integrated programmes approach had led to a real increase in implementation of technical cooperation, and had halted the declining trend of the past ten years. However, there were two major risks involved in the new approach. One was the limited resources of the Secretariat, jeopardizing its capacity to continue to initiate projects at the same time as implementing and supervising those which had already been approved. The second risk was of a lack of balance between the expectations created by integrated programmes and their real and effective implementation, specifically their financing. There had been a more rapid growth in the financing required for implementation of the integrated programmes than in the amounts available. Only 14 per cent of the total resources needed were available. It was a very real problem to which a solution had to be found. Every year UNIDO required a minimum level of predictable and programmable cooperation, which meant optimizing the delivery of integrated programmes, better organization of the work of the Secretariat and of the recipient countries, and especially a balance in the allocation of available resources among all the programmes thematically and regionally. The examples of Denmark and the United Kingdom, which donated

resources with no strings attached, should become the rule rather than the exception. The financing of components of a programme tended to fragment them to the point where they lost their integrated character and their impact was reduced considerably.

58. Mexico was very interested in increasing its cooperation with UNIDO. It was both a donor and a recipient of cooperation, and had tremendous potential to increase its links with the Organization. Mexico was very keen to share its experience and know-how with less developed countries, and to make its experts and specialists in various sectors available for projects being implemented in Latin America, and especially Central America and the Caribbean.

59. **Mr. AREVALO YEPES** (Colombia) said that the dynamic which had been given to UNIDO in the past two years as a result of the Director-General's visionary leadership had enabled the Organization, with the support of all Member States, to overcome the deep crisis confronting it and turned it into a model organization of the United Nations system. Colombia agreed with the Director-General that it was time to pause and to reflect on the direction the Organization should take, and particularly to identify its most pressing challenges. Colombia fully supported the process of decentralization of UNIDO, which would bring it closer to local realities and allow the use of local human resources. The private sector should play an increasingly important role in technical cooperation. The formulation and delivery of integrated programmes should act as a stimulus for Member States to make the effort to fulfil their obligations in terms of assessed contributions to the regular budget and in terms of the need for a significant increase in voluntary contributions by donor countries, which was the area where UNIDO's credibility was really at stake.

60. During his recent visit to Colombia, the Director-General had signed two important agreements. The first was for the setting up of a UNIDO regional office in Bogotá, and the second for an integrated programme for the development of competitive industries which were able to integrate with local and international markets.

61. **Mr. ZORILLA ALVAREZ** (Spain) welcomed UNIDO's efforts to make its instruments more flexible and appropriate to the new era of globalization. He announced that a framework agreement would shortly be signed between the Spanish Agency for International Cooperation and UNIDO which would cover all projects of common interest such as technology research, the training of junior officers and fellowships to enable people from developing countries to improve their knowledge in such strategic areas as industrial statistics. Spain might also participate in financing certain integrated development programmes.

62. **Mr. HABIB** (Observer for Lebanon) commended the Director-General for his efforts to reform UNIDO

despite the Organization's difficult financial circumstances, and urged those Member States which had lost confidence to reconsider how they might help UNIDO to succeed in its mission. He expressed concern regarding the Organization's serious financial situation in terms of non-payment of arrears of contributions. While noting the difficult financial situation of many developing countries, he urged Member States to pay their assessed contributions in full and on time in order to ensure that UNIDO had the means available to carry out its mission.

63. Noting the accomplishments of UNIDO's integrated technical cooperation programmes, he encouraged the Secretariat to respond favourably to approaches by Member States wishing to take advantage of UNIDO's experience in technical cooperation, and to work to develop appropriate programmes. At the same time, the Secretariat should seek to mobilize the necessary financial resources, and should call on beneficiary countries to assist by identifying possible sources of finance. The gap between developed and developing countries was widening, and industrial development was of the greatest importance as an effective means of alleviating poverty. Lebanon was very satisfied with UNIDO's new strategy towards the Arab States based on an analysis of their common difficulties, and believed that it would be possible to find a general solution. Lebanon expressed continued confidence in UNIDO.

64. **Mr. POOLOKASINGHAM** (Sri Lanka) commended the Director-General for his tireless efforts to consolidate the work of the Organization. He said that Sri Lanka's Ministry of Industrial Development, together with UNIDO and the Japanese International Cooperation Agency (JICA) had prepared an industrial master plan for a ten-year period beginning in 2000 and to be implemented in two stages, 2000-2004 and 2005-2010. The first period would concentrate on consolidating the foundation for industrial development, while the second would see acceleration of growth. In addition to charting development strategies for the entire manufacturing sector, the master plan also contained development plans for several industrial subsectors. It represented a unique demonstration of a multinational agency cooperating with a bilateral agency at the technical level.

65. Sri Lanka was concerned about UNIDO's financial situation, and wished to urge Member States and donor countries to fulfil their commitments to the Organization. Despite its present difficulties, the Government of Sri Lanka had that very day paid its annual contributions in full. Sri Lanka wished to urge the Secretariat to play an active role in establishing a dialogue between Member States, donor countries and multilateral donor agencies to increase the six per cent allocation of the regular budget to technical cooperation activities.

66. UNIDO's integrated programmes were formulated with the participation of the Member States, and were of

high quality. Although there were financial constraints on the implementation of approved integrated programmes, the Director-General should be supported in his efforts to formulate more programmes in the current year because it would be an incentive for the Governments of countries in transition to direct their economies along the path of development.

67. **Mr. SAHINBAS** (Turkey) said that 1999 marked a turning point in UNIDO's history with the successful completion of its transformation and fundamental changes in the way it worked. A strict distribution of work by division or branch had given way to interdisciplinary, cross-organizational teamwork involving not only Headquarters staff but also those posted to field offices. Greater emphasis on cooperation and collaboration had considerably improved UNIDO's organizational structure, leading to greater efficiency and synergy. The Director-General and his staff were to be congratulated for transforming UNIDO so swiftly into a more modern, flexible and decentralized organization, which was an outstanding example of reform in the United Nations system.

68. Sustainable industrialization was essential if developing countries and countries with economies in transition were to benefit from globalization by building competitive economies, creating employment and ensuring a clean environment. While some developing countries had made remarkable progress in that direction, many more, particularly those in Africa, were finding themselves further marginalized. Turkey was pleased to note that priority had been given to programmes and projects developed within the packages of integrated UNIDO services and under the service modules, and welcomed the major development of 1999 which consisted in the effective start of mobilization of funds for the integrated programmes.

69. Turkey attached great importance to investment and technology promotion activities and to implementation of the Kyoto Protocol, which had recently been given increasing importance by UNIDO. Every effort would be made to revitalize the Investment Promotion Service Office in Istanbul, incorporating technology promotion activities in its functions. Turkey highly appreciated UNIDO's intensified efforts to implement the Kyoto Protocol and promote relations with the Global Environment Facility. Turkey had considerable experience in helping the developing countries, and particularly the newly independent States, in investment and technology promotion as well as environment-friendly production methods and development mechanisms. Those areas would be given due importance with the activation of the UNIDO Regional Cooperation Centre in Ankara.

70. Globalization and decentralization were complementary concepts. Decentralization was one of the most efficient methods for increasing the performance of UNIDO, and Turkey supported the Director-General's

policy of encouraging the strengthening of field representation on the condition that the host country offered financial or in-kind contributions. The Government of Turkey was covering the current expenditure of the UNIDO Regional Cooperation Centre in Ankara and through it was financing projects for the benefit of the countries of the region. Turkey believed that UNIDO's expertise would encourage donors to provide funds to the Centre for project implementation.

71. Turkey was now an emerging donor, and had to arrears of contributions to the UNIDO regular budget. It hoped that the present positive atmosphere would lead to more countries fulfilling their financial obligations, and making voluntary contributions.

72. Turkey was pleased to note that efforts were being made by UNIDO to improve the representation of women in the Secretariat. However, the current gender balance was far from satisfactory, especially at the decision-making level, and more efforts were needed to achieve gender parity.

73. **Mr. KATZARSKI** (Bulgaria), commending the format, transparency, strategic focus and clarity of priorities of the Annual Report, welcomed the growing partnership between UNIDO and other international organizations, particularly within the United Nations system, which was reflected in an increased number of joint activities. The Director-General's efforts to build closer relations could provide a more effective way for UNIDO fully to utilize industrialization resources and safeguard its role as the lead agency at country level.

74. UNIDO's budgeting process was on the right track, and could provide a useful model for other international organizations. Unfortunately, though, the financial problems of Member States were a predominant concern. The Organization needed a system of resource mobilization that would make it easier to plan on a more predictable long-term basis. The strategy for resource mobilization should be transparent, well planned and flexible, and Bulgaria welcomed the development of alternative ideas for providing UNIDO with more funding. The crucial point, however, was not the level of funding but performance: when UNIDO was seen to be improving its performance, decision makers would be encouraged to increase contributions both to the regular budget and to extrabudgetary funds.

75. The issue of the budget level raised some conceptual questions, such as how countries were to be selected to benefit from technical cooperation, how many programmes were to be developed, what would be the impact on programme activities if funding targets were not reached, and in that event what criteria would be used to adjust programme implementation in the course of the year. Bulgaria welcomed the use of key indicators for measuring achievements, and called for them to be

developed further to reflect changes in the work methodology and their impact on the portfolio of programmes.

76. The countries of Eastern Europe and the newly independent States faced difficulties in increasing foreign capital inflows to industrial sectors, and were hampered by narrowing markets for locally manufactured goods and low utilization of installed production capacity. Bulgaria fully endorsed calls for a special approach to technical cooperation with countries with economies in transition, whose particular needs could be better taken into account in UNIDO policies, programmes and initiatives. Bulgaria appreciated the preparations being made for a regional forum under the joint sponsorship of UNIDO and the Hungarian Ministry of Economic Affairs, which could promote industrial cooperation and partnership within the context of increasing globalization, and was prepared to work with UNIDO, UNDP and potential donors in formulating and developing an integrated programme reflecting national priorities and aspirations.

77. **Mr. HASSAN** (Sudan), welcoming the Annual Report, said that the status of implementation of integrated programmes made gloomy reading, since funding remained a major problem. The Board, at its current session, must find appropriate solutions. It must ensure the provision of adequate financial resources to allow UNIDO programmes to be implemented. The least developed countries had contributed to the integrated programmes from their own meagre resources, which were badly needed for priority programmes in various development sectors. They had allocated the money because they had great expectations of industrial development resulting from the integrated programmes and had great trust in the international community. The Sudan hoped that the Board would find solutions which would enable the representatives of the developing countries, and especially the least developed countries, to report to their Governments that their peoples had not been let down, and that the efforts they had made in preparing the integrated programmes and allocating resources in cooperation with UNIDO were not wasted.

78. **Mr. UMER** (Pakistan) said that assessed contributions were mandatory payments required by UNIDO's Constitution, and the non-payment of dues was absolutely indefensible. There was a worrying attempt to link the payment of dues with contributions to the IDF and contributions for the implementation of integrated programmes. The issues were separate, and had to be dealt with separately and on their merits. If a country did not pay its dues in full and on time for two years the penalty was that it lost its voting right. The linkage between the payment of dues and the implementation of integrated programmes was misplaced and should be avoided.

79. There were approximately 100 developing countries which were Member States of UNIDO, yet only 40 or so benefited from integrated programmes. The

average size of each programme was between \$5 million and \$7 million over a period of five years. That could not be described as excessive by any standards for a global international organization with a global mandate. The important aspect, however, was the level of funding. At the present rate of progress it would take the better part of the century to implement the programmes in their entirety.

80. Some speakers had emphasized that UNIDO must demonstrate some success stories, and it was suggested that programmes should be of quality, with indicators determining their quality, funds being set aside for project evaluation, and a conference being held to determine the impact of the programmes. Those were useful ideas, but evaluation should follow, not precede, implementation, and implementation had barely begun. Furthermore, there was no point in evaluating individual elements of integrated programmes.

81. The expectation had been that after all the reforms it had undertaken UNIDO would now be able to function with sufficient resources to carry out its tasks in its agreed area of activities. However, that was not the case. If the maximum resources that UNIDO could muster for its integrated programmes were about 15 per cent of what it required, UNIDO ceased to be a credible organization. Practical and realistic solutions had to be devised, through the triangular dialogue between the developed countries, the developing countries and the Director-General, to reach a consensus on how to handle the situation so that the Member States did not lose interest in UNIDO and abandon hope in its future.

82. **Mr. KRÖLL** (Austria) announced that his country would be making an untied, freely programmable, voluntary contribution to UNIDO's integrated country programmes in the amount of 1 million euros. In addition, Austria would continue to finance specific components of the integrated programmes, making available approximately 2 million euros during the current year.

83. **Mr. MAGARIÑOS** (Director-General) said that it was very important to begin to think how to organize an interactive, transparent and open discussion about the direction the Organization should take now that its reform programme had been completed. He agreed that it was important to establish key criteria. The success of the reform process should certainly not be measured by the number of integrated programmes, which was no yardstick. It was extremely important to ensure the sustainability of what had been started over the past two years in the area of technical cooperation, and to make sure that the programmes were delivered in their entirety. It was very difficult to allot scarce resources, but an effort had been made to do so in as transparent a manner as possible. A great deal had been achieved in the past two years, but it had not been possible to do everything and a number of problems remained. The goodwill displayed in the past two years should be maintained, and if Board

members continued to participate and offer guidance in an honest and transparent manner relevant solutions would be found

54. He thanked the representative of Austria for his announcement of what would undoubtedly prove to be a very helpful contribution to UNHCR's work.

The meeting rose at 6.10 p.m.

Industrial Development Board

Twenty-second session

SUMMARY RECORD OF THE 3rd MEETING

Held at the Vienna International Centre, Vienna,
on Wednesday, 11 May 2000, at 10 a.m.

President: Mr. ORTIZ (Spain)

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The meeting was called to order at 10.15 a.m.

FINANCING THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES (IDB.22/2 and Corr.1 and Add.1, IDB.22/3, IDB.22/4)

FINANCIAL SITUATION OF UNIDO, INCLUDING ARREARS (IDB.22/8; IDB.22/CRP.4)

IMPLEMENTATION OF THE INTEGRATED PROGRAMMES (IDB.22/2 and Corr.1 and Add.1, IDB.22/7 and Corr.1 and 2; IDB.22/CRP.3)

1. **Mr. FREEMAN** (United Kingdom) said that he wished first to raise a procedural question, and to reaffirm the importance which his delegation attached to genuine dialogue among the members of the Industrial Development Board and between them and the Secretariat. The Board might wish to consider whether it allotted too much time to the delivery of general statements. In the interests of UNIDO and of the beneficiaries of its work, the Board should consider how best to conduct its business in the spirit of the reforms being made in UNIDO.

2. The United Kingdom welcomed the Montreal Protocol and Global Environment Facility (GEF) aspects of the Organization's work, which were core areas on which UNIDO should continue to build. There seemed to be real donor demand for such activities. Adequate resources, including staff resources, should be made available to facilitate those activities.

3. **Mr. McGAURAN** (Ireland) said that, as a country that had benefited from industrial development in the past, Ireland was firmly committed to the promotion of industrial development in the developing countries. All Member States, as partners of UNIDO, had a responsibility to ensure that the Organization had the resources it needed to function properly, both in Vienna and in the field, and must therefore pay their assessed contributions in full and on time. Ireland had made voluntary contributions to the Industrial Development Fund (IDF) in 1997 and 1999 for the Organization's activities in Ethiopia. It would contribute another 127,000 euros in the year 2000 for UNIDO to use as it saw fit, with the sole stipulation that the funds should be directed to an integrated programme in one of the six sub-Saharan African countries which Ireland had identified as priorities in its official development cooperation programme. It looked forward to increased cooperation in the field with UNIDO, which had a significant role to play in the area of sustainable industrial development and poverty eradication.

4. **Mr. FREEMAN** (United Kingdom), turning to the question of the implementation of the integrated programmes (agenda item 6), said that UNIDO was at a crucial stage in its evolution. While management reforms at Headquarters were nearing completion and devolution to the field through the regional offices was proceeding,

the next stage of reform was no less crucial than the fine-tuning the new programmes and their number in light of recipient countries' perceived needs, donor countries' ability and willingness to pay and, most importantly, the impact of the programmes.

5. UNIDO was an organization of limited size and resources, which limited the number of tasks it could take on at the current time. It had important work to do in areas such as the Montreal Protocol and GEF. It should continue to focus on its strengths. While integrated programmes should continue to reflect the priorities of the Business Plan, adjustments might be needed in the light of experience in the field. UNIDO should prioritize its integrated programmes, taking into account the financial support offered by Member States for specific programmes. The main criterion should be poverty alleviation, meaning that the poorest countries and the largest groups of poor people should be given the highest priority. In the next phase of reform, choices as to whether or not to support individual integrated programmes should be made in the field. UNIDO must demonstrate that its new programmes were valued by recipient countries; their willingness to co-finance the programmes was important in that regard. Integrated programmes must also meet international development targets and contribute directly to poverty alleviation. Their impact must be carefully assessed; that process might indicate the desirability of narrowing down the Organization's range of activities to focus on the interventions in the field that were most effective, had the greatest impact on poverty alleviation and attracted the most demand from donors and recipients.

6. **Mr. LOSHCHININ** (Russian Federation) said that the statements made in the debate had contributed some important ideas that should be reflected in the document prepared by the Secretariat. He agreed with what had been said at the preceding meeting regarding the importance of qualitative assessment of programmes and the need to develop partnerships with the private sector. The mobilization of financial resources for the integrated technical cooperation programmes should involve donor and recipient countries, the private sector and multilateral financial institutions, as well as regional resources. Further efforts should be made to implement the resolution of the General Conference on the region of Europe and the new independent States (GC.8 Res.6), since investment in the industrial development of those countries would enable them to become donors themselves in the relatively short term. UNIDO must make efforts to broaden its donor base.

7. With respect to suggestions that some of the integrated programmes should be terminated for lack of sufficient funds, a very cautious and balanced approach must be taken. The process of developing integrated programmes was, in itself, a useful exercise that involved

many different local, national and regional bodies. Regardless of their level of funding, those programmes affected economic and development processes at those levels. The programmes must be flexible and open to improvement at all stages of their implementation. No integrated programme should be terminated without the full consent of the recipient country.

8. As had been rightly said, it was difficult to improve the Organization's effectiveness when one third of its membership had forfeited the right to vote. He would welcome proposals on ways of rectifying that situation. Between May 1999 and May 2000, the Russian Federation had contributed \$7 million to the UNIDO budget; it had also decided to allow its share of unutilized balances to be used to finance integrated programmes, and was pleased that a number of other Member States had done likewise. He trusted that the recommendations of the open-ended discussion group on the timely payment of assessed contributions would be duly implemented. One country's arrears amounted to \$61 million; the correction of that situation would represent a significant step forward in increasing support for the integrated programmes.

9. **Mr. KERMANSHAH** (Islamic Republic of Iran) said that his delegation welcomed the preparation and implementation of integrated programmes as a cornerstone of the activities of UNIDO. Since the Organization's technical cooperation activities depended to a large extent on voluntary contributions, which were scarce at the current time, Member States should seek new sources of funding for technical cooperation, particularly for integrated programmes. His Government was seeking bilateral and multilateral sources of funding for the programme for environmentally sustainable industrial development prepared for his country; however, it would make every effort to mobilize national sources of funding for certain high-priority projects.

10. **Mr. HUSEYNOV** (Observer for Azerbaijan) said that the launching of integrated technical cooperation programmes based on service modules was a means of responding directly and efficiently to the individual needs of Member States, including those with economies in transition. His Government had decided to sign a memorandum of understanding with UNIDO on cooperation in the field of industrial development, with a view to developing a dynamic market economy. The priority areas of cooperation would be the environment and energy, investment and technology promotion, private-sector enterprise development, quality and standardization. Those priorities would form the basis for the integrated programme for Azerbaijan. He appreciated the expertise provided by UNIDO for the preparation of the memorandum of understanding. Considering the increasing role of UNIDO in the new architecture of the international economic system, more attention should be paid to the principle of wider geographical representation of Member States within the Secretariat. The

Organization's recent reforms should encourage donors to increase their voluntary contributions. In addition, UNIDO should step up its interaction with international financial institutions in order to mobilize funds.

11. **Mr. WOHLK** (Observer for Denmark) said that, following the reform of UNIDO in accordance with the Business Plan, the time had come to consider the direction which donor and recipient countries wished UNIDO to take in the coming years. The discussion should address finances, strategies and priorities. However, it should not be conducted solely in Vienna; capitals should be involved as well, to ensure that the discussion was realistic.

12. In 1998 and 1999, the Danish Government had made voluntary contributions to the special-purpose segment of the IDF amounting to over \$2 million each year. Those funds were currently being spent on a number of integrated programmes developed for African countries. Denmark planned to contribute a similar amount in the current year, and would consider making further contributions to the IDF in future years depending, among other things, on the results achieved. Discussions were under way with the UNIDO Secretariat on possible cooperation in relation to GEF activities; such cooperation could begin as early as the current year. He looked forward to monitoring and discussing, with UNIDO and the recipient countries, the progress made in the implementation of technical cooperation activities. He had been encouraged by the commitments made by a number of donor countries at the current session, and hoped that many others would find the means to contribute to the IDF, since voluntary contributions were vital to the success of the Organization's programmes.

13. **Mr. FREEMAN** (United Kingdom), turning to financial issues, said that in audit and budgetary terms UNIDO was in reasonable shape, although, compared to 1998 and 1999, the rate of collection of assessed contributions gave cause for concern. He wished to make it clear that the United Kingdom would not in future support any further use of unutilized balances, and considered that an exceptional measure.

14. With regard to the Organization's financial situation, he had been heartened by the positive approach taken by a number of delegations and by the commitment they had given to pay their assessed contributions. His Government, which, generally speaking, was favourably disposed to making voluntary contributions to UNIDO, would have difficulty in justifying its support for an Organization whose Members failed to support it by paying their assessed contributions.

15. On the question of prioritization, the Organization was faced with a choice between allowing the selection of programmes to be determined simply by the voluntary resources made available, on the one hand, or, on the other, determining rationally where the priorities should

lie based on the impact of individual programmes in the field.

16. **The PRESIDENT** said that the Organization should see what it could achieve through the rational targeting of resources. It was for its Members to agree on the general thrust of the Organization's activities and to indicate to the Director-General what could and should be done. There was room for optimism, and the links between GEF and UNIDO were one example of what had already been achieved. The contributions of Member States would be proof of their faith in the Organization.

17. **Mr. FIGUEROA** (Mexico) said that the question of prioritization was an important one. The Organization and its donors must jointly determine priorities, applying broadly accepted criteria. If everything depended on what each donor country decided on the basis of its own priorities and interests, the multilateral approach to technical cooperation would lose its meaning. However, caution was needed in trying to judge the relative quality of the approved country programmes. The recent informal discussions between the Secretariat and Member States on the impact and financing of integrated programmes had been extremely useful and should be continued on an ad hoc basis.

18. **Mr. FREEMAN** (United Kingdom) said that he did not quite understand the rationale for the large number of so-called "stand-alone" projects, to which a considerable proportion of the resources available were allotted.

19. **Mr. MAGARIÑOS** (Director-General) said that, even though integrated programmes were the core of technical cooperation activities, it had been felt important that the Organization should preserve a certain amount of flexibility to enable so-called "stand-alone" projects based on the service modules to be implemented. However, he had decided in June 1999 to suspend the approval of new stand-alone projects to give the Secretariat an opportunity to review with Member States the impact and value of such projects. The resources allocated to approved stand-alone projects based on service modules amounted to \$35 million. Stand-alone projects were part of the Organization's technical cooperation activities and were especially useful in countries that had no integrated programmes. The formulation of such programmes, however, required personnel and financial resources and they should be included in the debate on the characteristics of the project portfolio.

20. **Mr. FREEMAN** (United Kingdom) said that it appeared as though the slack in the Organization was being taken up by stand-alone projects. Such projects,

however, involved the disposition of quite large sums of money which, if allocated to priority programmes, could have a significant impact.

21. **Mr. MAGARIÑOS** (Director-General) said that it was for that reason that the management of the Organization had decided to suspend approval of additional stand-alone projects to see whether more resources could be used for the implementation of integrated programmes. The idea of stand-alone projects as a form of technical cooperation was not always fully understood. In his view, the Organization could only benefit from a detailed examination of stand-alone projects and their impact.

22. **Mr. MOHANTY** (Managing Director, Field Operations and Administration Division), replying to comments made during the debate, said that the Secretariat had taken note of the views of delegations and their emphasis on the need for prioritization in the light of the limited funds available. The Secretariat had already begun trying to prioritize projects on the basis of impact in the field. It was also introducing new ways of monitoring the implementation of integrated programmes.

23. Regarding the comments made by the delegation of Belarus on the approach to Eastern Europe and the newly independent States, he said that the fact that the Organization had not accomplished all of its objectives for that region did not mean that it had no strategy for the region. There was a very active programme of technical cooperation in the Russian Federation and individual projects for the region were formulated in the regional office in Turkey. In addition, a regional forum on Eastern Europe had been held in Vienna and another was proposed for Budapest to discuss the approach to be taken to the region. A number of internal reorganization measures had also been taken within the Secretariat to develop a more positive and proactive strategy for the region.

24. The proposed project on infrastructure to support innovative enterprises in Belarus was currently under consideration by the Secretariat. Given the scarcity of resources, emphasis was being placed on integrated projects, but stand-alone projects could sometimes be expanded at a later stage into integrated projects. The Secretariat was examining the technical characteristics of the project to see whether its conversion to an integrated programme would be feasible.

25. **Ms. ZVEREVA** (Belarus) expressed appreciation for the work which the Secretariat had done thus far on the project and was confident that solutions would be found to any problems that might arise so that technical cooperation

between the Organization and Belarus in that field could go forward.

IMPLEMENTATION OF RESOLUTION GC.8/RES.3 ON SUSTAINABLE INDUSTRIAL DEVELOPMENT (IDB.22/9)

26. The **PRESIDENT** drew attention to the report in document IDB.22/9. No delegation had asked for the floor to make a general statement on the item.

ESTABLISHMENT OF AN INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT (IDB.22.10 and Add.1)

27. **Mr. POOLOKASINGHAM** (Sri Lanka) said that his Government supported the Slovenian Government's initiative in favour of establishing an international centre for sustainable industrial development. It endorsed the draft decision on that subject which the Group of 77 had circulated informally.

28. **Mr. FREEMAN** (United Kingdom) said that Slovenia's proposal was a new one and his Government had not had time to consider its implications. The proposal raised a number of questions and he took it that the Secretariat would make an assessment of the extent to which the kinds of studies to be undertaken by the proposed centre were already being carried out by existing institutions, such as universities and other international bodies. Other questions needing clarification concerned the needs that would be met, the scope of the centre's activities, how funding would be generated, whether the centre would be funded entirely from voluntary sources, and the extent to which UNIDO resources would be involved. He hoped that the Secretariat and the supporters of the proposal could provide answers to those questions.

ADMINISTRATIVE MATTERS (continued) (IDB.22.5, IDB.22.6 and Add.1)

29. **Mr. POOLOKASINGHAM** (Sri Lanka) said that his Government upheld the principle of equitable geographical distribution in the United Nations and other multilateral organizations, and supported the views that had been expressed on the need to maintain geographical balance in UNIDO's personnel policy and gender balance at all levels of the Secretariat, in accordance with the relevant articles of the Constitution. In that connection, his Government appreciated the Secretariat's efforts to increase the proportion of women in the Secretariat, especially at the decision-making level.

30. **Mr. LOSCHININ** (Russian Federation) said that his delegation welcomed the increased professionalism

and competence that had been shown by the staff of UNIDO in recent years and the efforts that were being made to improve gender balance in the Secretariat.

31. The amendment to staff rule 103.10 concerning fixed-term appointments raised some concerns that a new element was being introduced into the personnel policy of UNIDO. It might be better for the rule to provide that contracts could be extended beyond seven years only in exceptional circumstances. That approach would ensure a constant influx of fresh talent and at the same time provide the necessary security of employment to attract highly qualified specialists.

32. **Mr. ABE** (Japan) said that the practice of seeking the comments of the Joint Inspection Unit on the functioning of UNIDO should be continued in order to promote dialogue and strengthen cooperation between the two bodies. While his delegation understood the need for term limits for the staff of UNIDO, it was also important to retain in-house the valuable professional expertise which the staff represented. Management should have the necessary flexibility to retain the services of certain staff members beyond seven years and the relevant rules should provide a reasonable balance.

33. **Mr. MAGARIÑOS** (Director-General) said that, when he had assumed office, the Organization's policy regarding the extension of contracts had been discretionary and not always transparent. He had sought to correct the situation by instituting a transparent policy under which all UNIDO officials would be eligible for two 3-year contracts followed by a further 1-year extension. It was felt that after that period, the Organization should have the opportunity to decide whether or not to continue the contractual relationship with the staff member based on such criteria as the level of satisfaction of the staff member's supervisor and whether the staff member's expertise still matched the Organization's changing priorities. The Organization should have both the authority to extend the contracts of some officials for an indefinite period and the freedom to terminate the contracts of others at no cost to the Organization. What was important was to maintain stable and transparent rules of the game, especially given the many changes that had already taken place in the Organization.

34. **Mr. LOSCHININ** (Russian Federation) said that his delegation was not suggesting a change in the rule; its concern was that staff should be aware that contracts would be extended beyond seven years only in exceptional circumstances. That would both promote greater stability and make staff more aware of the need for the continuous upgrading of their skills.

CONTENTS (*continued*)

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The meeting was called to order at 3 15 p.m.

INTRODUCTION OF DRAFT DECISIONS (IDB.22/L.2-L.9)

1. The **PRESIDENT** said that a number of draft decisions, most of which had been discussed in informal consultations under the chairmanship of Mr. Urruela Prado (Guatemala), were before the Board.

2. **Mr. URRUELA PRADO** (Guatemala), speaking as chairman of the informal consultations, said that the draft decisions before the Board on items 4, 5, 7 and 8 were the work of two meetings, both of which had been characterized by a spirit of compromise.

3. The **PRESIDENT** said that he was submitting the draft decisions approved in the informal consultations as drafts of the President.

ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1999 (*continued*) (IDB.22.2 and Corr.1 and Add.1)

4. The **PRESIDENT** said that no draft decision had been submitted under the item. He proposed that the Board should take note of the documentation provided by the Secretariat on the subject.

5. *It was so decided.*

FINANCING THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES (*continued*) (IDB.22.2 and Corr.1 and Add.1, IDB.22/3, IDB.22/4; IDB.22/L.6)

6. The **PRESIDENT** drew attention to draft decision IDB.22/L.6.

7. *The draft decision was adopted.*

FINANCIAL SITUATION OF UNIDO, INCLUDING ARREARS (*continued*) (IDB.22.8; IDB.22/CRP.4; IDB.22/L.2)

8. The **PRESIDENT** drew attention to draft decision IDB.22/L.2.

9. *The draft decision was adopted.*

IMPLEMENTATION OF THE INTEGRATED PROGRAMMES (*continued*) (IDB.22.2 and Corr.1 and Add.1, IDB.22/7 and Corr.1 and 2, IDB.22/CRP.3)

10. **Mr. SRINIVAS** (India) said he felt that the term "stand-alone project" was a misnomer because the projects concerned had linkages with various other ongoing programmes. Moreover, for a large country like his it would be difficult to have a truly integrated programme; such a programme would be unwieldy. India would prefer the concept of an umbrella framework within which various projects could be taken up which might not fit into an integrated programme as currently defined.

11. The **PRESIDENT** said that no draft decision had been submitted under the item. He proposed that the Board should take note of the documentation provided by the Secretariat.

12. *It was so decided.*

IMPLEMENTATION OF RESOLUTION GC.8 RES.3 ON SUSTAINABLE INDUSTRIAL DEVELOPMENT (*continued*) (IDB.22/9; IDB.22/L.8)

13. The **PRESIDENT** drew attention to draft decision IDB.22/L.8.

14. *The draft decision was adopted.*

ESTABLISHMENT OF AN INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT (*continued*) (IDB.22/10 and Add.1, IDB.22/L.7)

15. **The PRESIDENT** drew attention to draft decision IDB.22/L.7.

16. **Mr. D'AMBROSIO** (Managing Director, Sectoral Support and Environmental Sustainability Division) said that a number of questions had been raised regarding the establishment of an international centre for sustainable industrial development. The proposed centre was relevant and in line with the UNIDO Business Plan. It addressed issues upstream of the National Cleaner Production Centre Programme. As for financing, it was not possible at present to have an accurate forecast but the Government of Slovenia was thinking of providing the centre initially with a minimum amount of \$250,000 per annum. Additional resources were foreseen in the future, perhaps for specific projects. UNIDO was not requested to make any resources available, although it would have a coordinating role and it was to be expected that some staff member time would be required, although probably not more than half the time of a Professional. The proposed centre was supported by a number of local institutions in Slovenia, and according to information from the Slovenian Government it was also supported by other organizations in the region.

17. **Mr. FREEMAN** (United Kingdom) said that the Secretariat's answers were not wholly satisfactory. His delegation had an entirely open mind on the matter, but felt that more information and more work was needed. His concern had been that the proposed centre might be undertaking tasks that could be performed by other bodies in the private sector, universities or the International Centre for Science and High Technology (ICS) in Trieste, Italy. As for resources, it was important to know what the amount of \$250,000 would be paying for. If it was paying only staff costs, where would the additional resources come from to pay for other expenditure, and what prospects were there of attracting such resources? Was the proposed centre to be a UNIDO centre? Who would in fact own it? Such questions needed answering before a final decision was taken. He proposed that paragraph (c) of the draft decision be amended to refer to "possible future cooperation" rather than "the future cooperation".

18. **Mr. D'AMBROSIO** (Managing Director, Sectoral Support and Environmental Sustainability Division) said that coordination with ICS was currently being explored, and there would be coordination with local universities. At the regional level, there were apparently a number of interested academic and governmental institutions in neighbouring countries. As for the prospect of attracting additional resources, it was not possible to be definite at present; there was a commitment from the Government of

Slovenia to fund the centre's initial activities, and there were possibilities of further projects.

19. **Mr. UMER** (Pakistan), supporting the proposal for the establishment of a centre, said that his understanding of the proposal was that only after the centre had been set up by the Slovenian Government would possibilities be explored of cooperation between it and UNIDO.

20. **The PRESIDENT** asked whether the amendment proposed by the United Kingdom was accepted.

21. *It was so decided.*

22. *Draft decision IDB.22/L.7, as amended, was adopted.*

ADMINISTRATIVE MATTERS (*continued*)
(IDB.22/5, IDB.22/6 and Add.1, IDB.22/L.3 and L.9)

23. **The PRESIDENT** drew attention to draft decision IDB.22/L.3 on "Personnel matters". He noted that paragraph (d) contained a gap for the insertion of the name and country of the person to replace Mr. Almeida as alternate member of the UNIDO Staff Pension Committee effective 1 June 2000.

24. **Ms. ALEMAYEHU** (Ethiopia) said it was proposed that Mr. L. Gansonré (Burkina Faso) should be appointed in that capacity.

25. *It was so decided.*

26. *The draft decision was adopted.*

27. **The PRESIDENT** drew attention to draft decision IDB.22/L.9 on the "Activities of the Joint Inspection Unit".

28. *The draft decision was adopted.*

PROVISIONAL AGENDA AND DATE OF THE TWENTY-THIRD SESSION (IDB.22/CRP.2, IDB.22/L.4 and L.5)

29. **The PRESIDENT** drew attention to draft decision IDB.22/L.4 on the "Date of the sixteenth session of the Programme and Budget Committee".

30. *Draft decision IDB.22/L.4 was adopted.*

31. **The PRESIDENT** drew attention to draft decision IDB.22/L.5 on the "Provisional agenda and date of the twenty-third session".

32. **Mr. FREEMAN** (United Kingdom) said that it might need a week to deal with all the agenda items

proposed. He asked for an explanation of what would be covered by the proposed items 7 and 10.

33. **Ms. ORLOWSKI** (Secretariat) said that under item 7 the Secretariat was supposed to report briefly on UNIDO's activities in response to United Nations General Assembly resolution 52/203. Item 10 covered requests from intergovernmental and non-governmental organizations for consultative status; time permitting, the Secretariat would also report on its ongoing and possible future activities with such organizations.

34. **Mr. FREEMAN** (United Kingdom) said that he would not labour the point, but thought such reporting could be covered by the Director-General's annual report.

35. **The PRESIDENT** asked whether there was consensus on the draft decision. He noted that the proposal that the Board should hold its session from 14 to 16 November 2000 would allow a three-day session but leave open the possibility of completing the work in two days.

36. *Draft decision IDB.22/L.5 was adopted.*

ADOPTION OF THE REPORT (IDB.22/L.1)

37. **Mr. LAASSEL** (Morocco), Rapporteur, introducing document IDB.22/L.1, said that it merely represented the framework of the report. The final version would be compiled in close consultation with the Friends of the Rapporteur and would duly reflect the proceedings of the session.

38. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft report as a whole on the understanding that the Rapporteur would finalize it in consultation with the Friends of the Rapporteur as soon as possible after the closure of the session.

39. *It was so decided.*

CLOSURE OF THE SESSION

40. **Mr. MAGARIÑOS** (Director-General) expressed his thanks and those of the Secretariat to the members of the Board for their support and appreciation.

41. The Board's discussions would be crucial in determining the framework for UNIDO's development in

the next few years, and he would be convening informal meetings before the next session to discuss strategies so that the integrated programmes required by countries in accordance with the guidelines set by the Business Plan could be provided. The continuation of the dialogue was vital. The Board's current session had been just as important as the meetings in 1997, when it had been necessary to reach consensus on short-term action. The current session would make it possible to tackle the medium and longer term with hope and enthusiasm, in open dialogue and a spirit of cooperation.

42. Excellent news had been received of the intentions of Austria, Denmark and Ireland to make untied contributions. Just as importantly, Burkina Faso and Madagascar had announced that they were paying their arrears of contributions. Financial stability had now been attained, not because the collection of contributions had improved substantially but because mechanisms had been introduced to ensure a sustained cash flow, and the Organization was not currently facing a financial crisis. However, all who wished to support UNIDO should first of all pay their contributions on time and in full.

43. As far as voluntary contributions were concerned, the impression should not be given that such contributions were being sought only from the most highly developed countries. Member States like Rwanda had contributed modest sums to the Industrial Development Fund, as had other recipients of technical cooperation. Attention must be given to expanding the donor base.

44. In his view, UNIDO had an important role to play on the world's economic scene in the coming century. He had tried to transmit that view, notably at the Forum on Industrial Development held during the last General Conference session, and was pleased to note from statements made at the current session of the Board that his message had been heard.

45. The present climate of goodwill, frankness and constructive debate in the Board made it possible to be optimistic about UNIDO's future. The views of the members of the Board would be taken into account, he would put his own ideas forward and he was confident that valuable results would emerge.

46. **The PRESIDENT** expressed his thanks to the Director-General, the Secretariat and all who had contributed to the success of the session.

The meeting rose at 4.10 p.m.